

MIFFLIN TOWNSHIP
COLUMBUS REGION, WYANDOT COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001



**Auditor of State
Betty Montgomery**

Board of Trustees
Mifflin Township
14970 Township Highway 96
Upper Sandusky, OH 43351-9582

We have reviewed the Independent Auditor's Report of Mifflin Township, Wyandot County, prepared by Holbrook & Manter, for the audit period January 1, 2001 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Mifflin Township is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 24, 2003

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Mifflin Township
Wyandot County
14970 Township Highway 96
Upper Sandusky, OH 43351-9582

We have audited the accompanying financial statements of Mifflin Township, Wyandot County, Ohio, (the Township) as of and for the years ended 2002 and 2001. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Mifflin Township, Wyandot County, as of December 31, 2002 and December 31, 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2003 on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Holbrook & Manter

Certified Public Accountants

May 29, 2003
Marion, Ohio

MIFFLIN TOWNSHIP
WYANDOT COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES-
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>(Memorandum Only) Total</u>
Cash receipts:				
Local taxes	\$ 4,010	\$ 8,617	\$ 0	\$ 12,627
Intergovernmental	35,858	86,258	0	122,116
Interest	2,825	2,840	0	5,665
Fines, licenses, and permits	0	0	0	0
Miscellaneous	300	3,347	0	3,647
Total cash receipts	<u>42,993</u>	<u>101,062</u>	<u>0</u>	<u>144,055</u>
Cash disbursements:				
Current:				
General Government	13,877	0	0	13,877
Public health services	4,863	0	0	4,863
Public safety	12,746	0	0	12,746
Public works	0	91,656	0	91,656
Capital Outlay	0	28,628	0	28,628
Total program disbursements	<u>31,486</u>	<u>120,284</u>	<u>0</u>	<u>151,770</u>
Total receipts over/(under) program disbursements	11,507	(19,222)	0	(7,715)
Fund cash balances January 1, 2002	<u>39,608</u>	<u>82,086</u>	<u>0</u>	<u>121,694</u>
Fund cash balances, December 31, 2002	<u>\$ 51,115</u>	<u>\$ 62,864</u>	<u>\$ 0</u>	<u>\$ 113,979</u>
Reserve for Encumbrances, December 31, 2002	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

MIFFLIN TOWNSHIP
WYANDOT COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES-
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>(Memorandum Only) Total</u>
Cash receipts:				
Local taxes	\$ 3,596	\$ 7,593	\$ 0	\$ 11,189
Intergovernmental	22,928	100,502	0	123,430
Interest	2,278	2,957	0	5,235
Fines, licenses, and permits	0	150	0	150
Miscellaneous	998	800	0	1,798
Total cash receipts	<u>29,800</u>	<u>112,002</u>	<u>0</u>	<u>141,802</u>
Cash disbursements:				
Current:				
General Government	45,886	0	0	45,886
Public health services	4,817	0	0	4,817
Public safety	11,166	0	0	11,166
Public works	0	101,814	0	101,814
Capital Outlay	5,502	11,059	70,000	86,561
Total program disbursements	<u>67,371</u>	<u>112,873</u>	<u>70,000</u>	<u>250,244</u>
Total receipts over/(under) program disbursements	(37,571)	(871)	(70,000)	(108,442)
Other financing receipts/(disbursements):				
Other financing sources	0	0	70,000	70,000
Total other financing receipts/(disbursements)	<u>0</u>	<u>0</u>	<u>70,000</u>	<u>70,000</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(37,571)	(871)	0	(38,442)
Fund cash balances January 1, 2001	<u>77,179</u>	<u>82,957</u>	<u>0</u>	<u>160,136</u>
Fund cash balances, December 31, 2001	<u>\$ 39,608</u>	<u>\$ 82,086</u>	<u>\$ 0</u>	<u>\$ 121,694</u>
Reserve for Encumbrances, December 31, 2001	<u>\$ 6</u>	<u>\$ 15</u>	<u>\$ 0</u>	<u>\$ 21</u>

The notes to the financial statements are an integral part of this statement.

MIFFLIN TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Description of the Entity - Mifflin Township, Wyandot County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by three publicly - elected Trustees. The Township provides general governmental services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Basis of Accounting - These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

Cash and Investments - Certificates of deposit are valued at cost.

Fund Accounting - The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund

This fund receives gasoline tax money for constructing, maintaining and repairing township roads.

Motor Vehicle License Tax Fund

This fund receives motor vehicle tax money for constructing, maintaining and repairing township roads.

Road and Bridge Fund

This fund receives tax levied money for constructing, maintaining and repairing Township roads and bridges.

Cemetery Fund

This fund receives proceeds from sale of cemetery plots and general plot maintenance fees used for the upkeep of the cemetery.

MIFFLIN TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:– (continued)

Budgetary Process - The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

Property, Plant and Equipment - Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS:-

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2002</u>	<u>2001</u>	
Demand deposits	\$ 63,979	\$ 51,694	
Certificates of deposit	<u>50,000</u>	<u>70,000</u>	
Total deposits	\$ <u>113,979</u>	\$ <u>121,694</u>	

Deposits - The Townships deposits are insured by the Federal Depository Insurance Corporation up to \$100,000. As of December 31, 2002 and 2001, deposits over \$100,000 were adequately collateralized.

MIFFLIN TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 3 - BUDGETARY ACTIVITY:-

Budgetary activity for the years ending December 31, 2001 and 2002 was as follows:

2002 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 28,046	\$ 42,993	\$ 14,947
Special Revenue	66,405	101,062	34,657
Capital Project	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 94,451</u>	<u>\$ 144,055</u>	<u>\$ 49,604</u>

2002 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 67,636	\$ 31,486	\$ 36,150
Special Revenue	148,478	120,284	28,194
Capital Project	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 216,114</u>	<u>\$ 151,770</u>	<u>\$ 64,344</u>

MIFFLIN TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 3 - BUDGETARY ACTIVITY:- (continued)

2001 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 27,406	\$ 29,800	\$ 2,394
Special Revenue	64,287	112,002	47,715
Capital Project	<u>0</u>	<u>70,000</u>	<u>70,000</u>
Total	<u>\$ 91,693</u>	<u>\$ 211,802</u>	<u>\$ 120,109</u>

2001 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 104,584	\$ 67,371	\$ 37,213
Special Revenue	147,246	112,873	34,373
Capital Project	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Total	<u>\$ 321,830</u>	<u>\$ 250,244</u>	<u>\$ 71,586</u>

MIFFLIN TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 4 – PROPERTY TAX:-

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to Wyandot County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the Wyandot County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

NOTE 5 – DEBT:-

Debt Outstanding at December 31 was as follows:

		<u>2002</u>		<u>2001</u>
Capital Facilities Bond	Principal	\$ <u>58,700.00</u>		\$ <u>64,500.00</u>
	Interest Rate	% <u>5.00</u>		% <u>5.00</u>

Capital Facilities Bond was issued in 2001 to finance the construction of a new storage building. The bond is collateralized solely by the Township's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

		<u>Capital Facilities Bond</u>
Year ending December 31:		
2003	\$	9,035
2004		9,130
2005		9,105
2006		9,065
2007		9,110
2008		9,035
2009		9,045
2010		<u>9,135</u>
Total	\$	<u>72,660</u>

MIFFLIN TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 6 - RETIREMENT SYSTEMS:-

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost – sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for the same period. The Township has paid all contributions required through December 31, 2002.

NOTE 7 – RISK MANAGEMENT:-

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Buildings
- Casualty
- Public official's liability



Report on Compliance and on Internal Control Required by *Government Auditing Standards*

Board of Trustees
Mifflin Township
Wyandot County
14970 Township Highway 96
Upper Sandusky, OH 43351-9582

We have audited the accompanying financial statements of Mifflin Township, Wyandot County, Ohio (the Township), as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated May 29, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matter in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

We noted other matters involving compliance and internal control over financial reporting that we have reported to the Management of the Township in a separate letter dated May 29, 2003.

This report is intended for the information of the Board of Trustees and Clerk and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants

May 29, 2003
Marion, Ohio



**Auditor of State
Betty Montgomery**

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MIFFLIN TOWNSHIP

WYANDOT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 2, 2003**